

TREE ISLAND WIRE INCOME FUND

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TREE ISLAND ANNOUNCES FILING OF PRELIMINARY PROSPECTUS FOR RIGHTS OFFERING TO UNITHOLDERS

Vancouver, BC – December 7, 2009 /Marketwire/ – Tree Island Wire Income Fund ("Tree Island" or the "Fund") announced that it will be filing today a preliminary short form prospectus (the "Preliminary Prospectus") with securities regulatory authorities in each of the provinces of Canada relating to a rights offering (the "Offering").

The Fund intends to issue to each unitholder, as of a record date to be announced, one right (a "Right") for each unit held. For every 221.12489 Rights held, a holder thereof is entitled to subscribe for \$100 principal amount of 10% second lien convertible debentures (the "Debentures"), provided they are eligible to do so as set out in the Preliminary Prospectus. The conversion price of the Debentures will be \$0.50 per unit of the Fund, subject to adjustment in certain events.

The Offering is a component of the Fund's recapitalization transaction announced on August 13, 2009, which also includes amendments to the credit agreements underlying the Fund's senior credit facilities, forbearance agreements with certain of the Fund's trade creditors and a private placement of Debentures and warrants to purchase units of the Fund that closed on November 26, 2009. The Fund intends to raise up to \$10 million in gross proceeds from the Offering with the net proceeds to be used for working capital and general corporate purposes. More specifically, pursuant to the terms of amendments to the Fund's senior credit facilities, the proceeds from the issuance of the Debentures will be contributed by the Fund to its operating subsidiaries for the purpose of prepaying the revolving loan outstanding under the Fund's credit facilities.

Pursuant to an investment agreement dated August 13, 2009, as amended, among the Futura Corporation ("Futura"), Marret Asset Management Inc. ("Marret") on behalf of certain investment funds managed by Marret, Arbutus Distributors Ltd. ("Arbutus" and, collectively with Futura and Marret, the "Investors") and the Fund, the Investors have agreed to purchase a minimum of \$1,787,389 and a maximum of \$3,250,000 aggregate principal amount of Debentures under the Offering (the "Rights Offering Commitment") as follows: (i) Futura has committed to purchase \$1,250,000 aggregate principal amount of Debentures; (ii) Marret has committed to purchase an aggregate principal amount of Debentures of \$526,083 plus 49.5% of the difference between \$3,250,000 and the aggregate principal amount of Debentures purchased by unit holders under the Offering, up to a maximum of \$1,250,000; and (iii) Arbutus has committed to purchase an aggregate principal amount of Debentures of \$11,306 plus 50.5% of the difference between \$3,250,000 and the aggregate principal amount of Debentures purchased by unit holders under the Offering, up to a maximum of \$750,000. Each of the Investors may, but shall not be required to, purchase Debentures under the Offering in excess of the Rights Offering Commitment to the extent such Debentures are available. In no event shall the aggregate amount of the Rights Offering Commitment exceed \$3,250,000.

The record date and the expiry date for the Offering will be determined at the time of filing of a final short form prospectus. Holders of units of the Fund that fully exercise their Rights will be entitled to subscribe for additional units, if available, that were not subscribed for by other Rights holders. The

Rights will be exercisable for at least 21 days following the date of mailing of the final prospectus. The Offering is subject to regulatory approval, including the approval of the TSX.

The Fund also announced that Mr. David Gluskin, Marret's nominee to the Board of Trustees, has resigned from the Board for reasons unrelated to Tree Island. The Fund intends to fill the vacancy in due course with a suitable candidate. Mr. Doman commented "We have appreciated David's invaluable insight and contribution to the Board and regret that he is no longer able to serve as a trustee". Mr. Barry Allan, a partner at Marret, stated, "We continue to support the recapitalization of Tree Island and have full confidence in the Board and the management team in their efforts to stabilize the business".

No U.S. Registration or Sales

The securities offered will not be or have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state, and may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person (as defined in Regulation S of the Securities Act) or person in the United States. Neither the preliminary nor the final short form prospectus are being sent to or circulated in the United States or to, or for the account or benefit of, a U.S. Person or person in the United States without registration unless an exemption from registration is available. The Fund may offer or sell the Debentures in the United States to certain accredited investors in transactions that comply with the exemption from registration set forth in Regulation D under the Securities Act.

Fund Profile

The Fund was launched on November 12, 2002, with the completion of an Initial Public Offering. The Fund holds a 100% ownership interest in Tree Island Industries Ltd. (the "Company"). The Fund's performance depends entirely on the performance of the Company.

Tree Island Profile

Headquartered in Richmond, British Columbia, Tree Island Industries Ltd. produces wire products for a diverse range of construction, agricultural, manufacturing and industrial applications. Its products include bright wire, stainless steel wire and galvanized wire; a broad array of fasteners, including packaged, collated and bulk nails; stucco reinforcing products, engineered structural mesh, fencing and other fabricated wire products. The Company markets these products under the Tree Island and TI Imports brand names. Tree Island also owns and operates a Hong Kong-based trading company that provides internationally sourced products to the Company and its customers worldwide.

Forward-Looking Statements

Certain statements contained in this press release constitute "forward looking statements". These statements relate to future events or future performance and include, but are not limited to, statements regarding the timing to file the preliminary short form prospectus in respect of the Rights Offering. The words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect", and similar expressions are often used to identify forward looking statements.

By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific. In evaluating these statements, readers should specifically consider risks which

may cause actual results to differ materially from any forward looking statement. These risks include, but are not limited to, risks relating to the possibility that the Rights Offering may not be completed.

The forward looking statements contained herein are based upon certain assumptions considered reasonable at the time they were prepared. Such assumptions include, but are not limited to, assumptions regarding: (i) general economic conditions, (ii) the Fund's future business prospects and opportunities, and (iii) the outcome of the proposed Rights Offering. Should one or more of the risks or uncertainties identified herein materialize, or should the assumptions underlying the forward looking statements prove to be incorrect, then actual results may vary materially from those described herein. Readers are cautioned not to place undue reliance on forward looking statements. Except as required by applicable securities laws, the Fund does not assume any obligation to update the forward looking statements contained herein.

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